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| APPLICATION NO.   | FILING DATE | FIRST NAMED INVENTOR        | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|-------------|-----------------------------|---------------------|------------------|
| 09/804,851  | 03/13/2001  | Sarat C. Sankaran           | 1285.013US1         | 2552             |
| 21186 7590 03/31/2010<br>SCHWEGMAN, LUNDBERG & WOESSNER, P.A.<br>P.O. BOX 2938<br>MINNEAPOLIS, MN 55402 |             |                             |                     |                  |
| EXAMINER<br>KANERVO, VIRPI H  |             |                             |                     |                  |
| ART UNIT<br>3691  |             | PAPER NUMBER                |                     |                  |
| NOTIFICATION DATE<br>03/31/2010   |             | DELIVERY MODE<br>ELECTRONIC |                     |                  |

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/804,851  
Filing Date: March 13, 2001  
Appellant(s): SANKARAN ET AL.

\_\_\_\_\_  
John I. Fischer  
Registration No. 60,900  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed December 30, 2009, appealing from the Office action mailed June 30, 2009.

**(1) Real Party in Interest**

Appellant's statement identifying by name the real party in interest contained in the brief is correct.

**(2) Related Appeals and Interferences**

Examiner is not aware of any appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

Appellant's statement of the status of claims contained in the brief is correct. This appeal involves claims 35 and 38-41, where claims 35, 38, 39, and 40, are independent claims, and claim 41 is dependent claim.

**(4) Status of Amendments After Final Rejection**

Appellant's statement of the status of amendments after final rejection contained in the brief is correct. All amendments have been entered and no amendments are pending.

**(5) Summary of Claimed Subject matter**

Appellant's summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

Appellant's statement of the grounds of rejection to be reviewed on appeal contained in the brief is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Claims Appendix section of Appellant's brief is correct. However, the Claims Appendix is deficient in that it is omitting the listing of the cancelled claims 1-34, 36-37, and 42.

**(8) Evidence Relied Upon**

|              |               |         |
|--------------|---------------|---------|
| 6,351,734 B1 | Lautzenheiser | 09-1998 |
| 7,130,833 B1 | Their         | 07-2000 |

**(9) Grounds of Rejection**

The following grounds of rejection are applicable to the appealed claims:

***Claim Rejections - 35 USC § 112***

- The following is a quotation of the second paragraph of 35 U.S.C. § 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

- Claim 39 is rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is unclear whether “the means for” refers to the software or the hardware described in the specification. See the rejection under 35 U.S.C. § 101, below.

***Claim Rejections - 35 USC § 101***

- 35 U.S.C. § 101 reads as follows:  
  
Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.
- Claims 35 and 39 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

As to claim 35, the claim language recites a process comprising the steps of receiving data, creating data, and storing data. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parkerv. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is

not considered a patent eligible process under 35 U.S.C. § 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

As to claim 39, the specification describes the claimed steps as being modules on a web-based application server. The “means for” could be interpreted as either the server and network, or the software modules. Since the claimed invention could be interpreted as consisting entirely of software, the claim is not considered statutory since software is not a patentable subject matter.

### ***Claim Rejections - 35 USC § 103***

- The following is a quotation of 35 U.S.C. § 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in § 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

- The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1,148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. § 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
  2. Ascertaining the differences between the prior art and the claims at issue.
  3. Resolving the level of ordinary skill in the pertinent art.
  4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
- Claims 35 and 38-41 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Lautzenheiser (6,351,734 B1) in view of Their (7,130,822 B1).

As to claims 35 and 38-41, Lautzenheiser teaches a system and method for associating information with elements of an organization, comprising creating and storing a stored organization data hierarchy that represents the organization and the sub-organizations and comprises a plurality of hierarchical levels (Lautzenheiser: col. 6, lines 1-42); receiving first data input that specifies a spending capacity for at least a portion of the organization (Lautzenheiser: col. 4, lines 52-58; and col. 9, lines 17-21); in response to receiving the first data input, creating and storing spending capacity data in a public area, wherein the spending capacity data defines the spending capacity based on the first data input (Lautzenheiser: col. 4, lines 63-67); receiving second data input that specifies one or more planned expense allocations of the portion of the organization (Lautzenheiser: col. 4 lines 59-62; and col. 9, lines 15- 17); in response to receiving the second data input, creating and storing planned expense data, where the planned expense data defines the one or more planned expense allocations based on the second data input (Lautzenheiser: col. 5, lines 21-24); automatically determining whether the planned expense data exceeds

the spending capacity data, and transmitting a notification that the planned expense data exceeds the spending capacity data when the planned expense data exceeds the spending capacity data (Lautzenheiser: col. 5, lines 24-29; and col. 9, line 59 – col. 10 line 5); and entering new data in the same manner as described above with a new first data input and a new second data input (Lautzenheiser: col. 5, lines 18-20; and col. 10, lines 6-15).

Lautzenheiser fails to teach initially storing the planned expense data in a private area, and storing the planned expense data in the public area only when the planned expense data does not exceed the spending capacity data; that the private area is configured to store a plurality of expense plans for the portion of the organization; receiving a selection of one of the plurality of expense plans to provide a selected expense plan; and that each private area is comprised of one or more computer memory locations assigned to each respective portion of the organization, and wherein the public area is comprised of one or more computer memory locations assigned to the organization. Their teaches a system and method for budget planning. The system of Their is similar to the system of Lautzenheiser in that it relies on individual contributions to form the resource allocation in a hierarchical manner. Their teaches storing planned expense data in a private area (Their: col. 6, lines 41-47), and storing the planned expense data in the public area when the planned expense is approved (Their: col. 5, line 62 – col. 6, line 5); that the private area is configured to store a plurality of expense plans for the portion of the organization (Their: col. 1, lines 27-33; and



Fig. 4); receiving a selection of one of the plurality of expense plans to provide a selected expense plan (Their: col. 1, lines 36-43; and Fig. 5, label 43); and that each private area is comprised of one or more computer memory locations assigned to each respective portion of the organization, and wherein the public area is comprised of one or more computer memory locations assigned to the organization (Their: col. 1, lines 27-33; and Fig. 4).

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify the teachings of Lautzenheiser by initially storing the planned expense data in a private area, and storing the planned expense data in the public area only when the planned expense data does not exceed the spending capacity data; that the private area is configured to store a plurality of expense plans for the portion of the organization; receiving a selection of one of the plurality of expense plans to provide a selected expense plan; and that each private area is comprised of one or more computer memory locations assigned to each respective portion of the organization, and wherein the public area is comprised of one or more computer memory locations assigned to the organization of Their because it is desirable that a user be able to use the system of Lautzenheiser without finalizing the results. Using the invention of Lautzenheiser, a user may desire to fill in numbers and see if the numbers are flagged for being "over-budget." Their teaches a method for submitting the budget to a higher node of the hierarchy, which includes a private area where the information is only viewable by the user working on it, and a public area, where

the information is made public when it is approved by a higher node. The system of Their allows a user to keep the data private until the budget is final, at which point the data may be submitted and processed, as is described by Lautzenheiser.

#### **(10) Response to Arguments**

**1.     *The Rejection of Claims 35 and 39 under 35 U.S.C. § 101:***

**As to claim 35:** Applicant argues that claim 35 recites “wherein each private area is comprised of one or more computer memory locations, and wherein the public area is comprised of one or more computer memory locations” and that “based on at least these portions of claim 35, Appellant submits that a computer is used, at least in part, to perform the operations of creating and storing first data in a public area, creating and storing second data in a private area.” Examiner disagrees. While the claim language of claim 35 includes an element “computer memory location,” computer memory location is not a computer. Further, the claim language of claim 35 does not include a computer that is used to perform the operations of creating and storing first data in a public area, and/or creating and storing second data in a private area. Therefore, a computer is not used to do the creating and storing of claim 35.

**As to claim 39:** Applicant argues that claim 39 claims “a computer-automated apparatus.” Examiner disagrees. While the claim 39 is directed to a computer-automated apparatus in its preamble, the body of the claim language does not include hardware. The body of the claim language only uses “the means for” language, and the specification describes “the means” as being modules on a web-based application server (*see, e.g.*, Applicant’s Specification – p. 8, under SpendCap Manger<sup>TM</sup> Module: “module 200 is preferably implemented as web-based application server 200 that runs as an extension or module of a web server 203”). Therefore, “the means for” could be interpreted as either a server and a network, or software modules. Since the claimed invention could be interpreted as consisting entirely of software, the claim is not considered statutory since software is not patentable subject matter.

**2. *The Rejection of Claim 39 under 35 U.S.C. § 112:***

Applicant argues that “this is an improper § 112 rejection” because “all means for performing the recited operations are encompassed by these claims.” Examiner disagrees. As Examiner has explained under “The Rejection of Claim 39 under 35 U.S.C. § 101” section above, it is unclear whether “the means for” refers to the software or the hardware described in the specification.

**3. *The Rejection of Claims 35 and 38-41 under 35 U.S.C. § 103:***

Applicant argues that Their (7,130,822 B1) fails to disclose "wherein the private area is only accessible by users in the department" because "as is clearly stated in the cited portion of Their, while a contributor may have limited view into the hierarchy, a high-level executive (e.g., Guy) can view *the entire hierarchy*," and therefore "the contributor's portion of the hierarchy is not a private area only accessible by users in the department." Examiner disagrees. Their specifically discloses that "each contributor has a limited view such that left frame only displays the part of the hierarchical model that relates to the particular contributor" (Their: col. 6, lines 43-45; where "the particular contributor" is "user in the department"). While Their further discloses that "high-level executive defined as a reviewer for all five regions can view the entire hierarchy" (Their: col. 6, lines 45-47; where "high-level executive" is another "user in the department"), other contributors still cannot view the entire area, but only the area that relates to that particular contributor. The system of Their allows a user to keep the data private, only accessible by users in the department (where the users are "the particular contributor" and "the high-level executive"), until the budget is final, at which point the data may be submitted and processed. Thus, Their discloses that "the private area is only accessible by users in the department."

Further, Applicant argues that Lautzenheiser (6,351,734 B1) and Their "fail to disclose, teach, or suggest the use of both private and public planning areas." Examiner disagrees. Using the invention of Lautzenheiser, a user may desire to fill in numbers and see if the numbers are flagged for being "over-budget." Their teaches a method for submitting the budget to a higher node of the hierarchy, which includes a private area where the information is only viewable by the user working on it (Their: col. 6, lines 41-47), and a public area, where the information is made public when it is approved by a higher node (Their: col. 5, lines 62-67; and col. 6, lines 1-5). The system of Their allows a user to keep the data private until the budget is final, at which point the data may be submitted and processed, as is described by Lautzenheiser.

Additionally, Applicant argues that Lautzenheiser and Their "do not anticipate or render obvious the claimed subject matter." Examiner disagrees. The rationale to support a conclusion that the claim would have been obvious is that (1) all the claimed elements were known in the prior art; (2) one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions; and (3) the combination would have yielded nothing more than predictable results to one of ordinary skill in the art at the time of the invention. *See KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (2007).

Here, (1) Lautzenheiser discloses all the other elements of the claims, except initially storing the planned expense data in a private area, and storing the

planned expense data in the public area only when the planned expense data does not exceed the spending capacity data; that the private area is configured to store a plurality of expense plans for the portion of the organization; receiving a selection of one of the plurality of expense plans to provide a selected expense plan; and that each private area is comprised of one or more computer memory locations assigned to each respective portion of the organization, and wherein the public area is comprised of one or more computer memory locations assigned to the organization. Their discloses initially storing the planned expense data in a private area, and storing the planned expense data in the public area only when the planned expense data does not exceed the spending capacity data; that the private area is configured to store a plurality of expense plans for the portion of the organization; receiving a selection of one of the plurality of expense plans to provide a selected expense plan; and that each private area is comprised of one or more computer memory locations assigned to each respective portion of the organization, and wherein the public area is comprised of one or more computer memory locations assigned to the organization. Therefore, all the claimed elements were known in the prior art.

(2) Their does not change the existing elements in Lautzenheiser. Also, the elements in Their, which are combined with the elements of Lautzenheiser, remain the same after combining the elements of Lautzenheiser and Their. Therefore, one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions.

(3) The results of combination of Lautzenheiser and Their are predictable because the combination would have yielded nothing more than predictable results to one of ordinary skill in the art at the time of the invention. Therefore, claims 35 and 38-41 are obvious over Lautzenheiser in view of Their under 35 U.S.C. § 103(a).

**(11) Related Proceedings Appendix**

No decision rendered by a court or the Board is identified by Examiner in the Related Proceedings Appendix section of Appellant's brief.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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